IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
INCOME TAX REFERENCE NO.571 OF 1998

The Commissioner of Income-tax ..Applicant.

V/s.

M/s. Bombay Samachar P. Ltd. ..Respondent.

Mr.A.S.Rao for applicant.

CORAM : V.C. DAGA AND
J.P.DEVADHAR, JJ.

DATED : 28TH MARCH, 2005.

P.C. :-

1. In this reference, the questions referred for the opinion of this Court read as under :-

> "1. Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in holding that the limits prescribed under clause (c) of section 40A(5) should not be applied for computing disallowance in respect of salary and perquisites to employee directors and that the overall limit prescribed for remuneration, benefit and amenities in section 40(c) of the Act should be applied ?

2. The above question has already been answered by the Division Bench of this Court in the case of **C.I.T. V/s. Hico Products Pvt.Ltd. (No.1) [(1993) 201 I.T.R. 567 (Bom.)** in favour of the assessee and against the revenue. In this view of the matter, question stands answered in affirmative for the reasons stated in the case of Hico Products (P) Ltd. Reference, accordingly stands disposed of with no order as to costs.

(V.C. DAGA, J.)

(J.P.DEVADHAR, J.)